Non-availability of institutional lending sources for farmers

*326. SHRI MAHENDRA MOHAN : Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that around 52 per cent farmers do not have access to institutional sources like banks and cooperatives;

(b) if so, whether Government is aware that most of the farmers take loan from the moneylenders;

(c) if so, whether Government proposes to regulate the banking business being done by these moneylenders and get them registered with the Reserve Bank of India to carry on banking business and also regulate the interest rates; and

(d) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) As per National Sample Survey Organisation data on 'Indebtedness of Farmer Households' (2003), 51.4% of farmer households do not access credit, either from institutional or non-institutional sources. 27.30% of total farm households are indebted to formal sources and 21.3% to informal sources, including moneylenders.

(c) and (d) As per the VIIth Schedule of the Constitution of India, 'money-lending and moneylenders', are included in the State List at Entry No. 30. A majority of the State Governments have State Moneylenders' Acts in place for regulating the activity of money-lending in their area.

Reserve Bank of India (RBI) set-up a Technical Group to review the efficacy of the existing legislative framework that governs money-lending as also the enforcement machinery in different States and make recommendations for its improvement. The model legislation proposed by the Technical Group, *inter-alia,* provides for the following:

* a simple and hassle free procedure for compulsory registration and periodical renewal of their registration by moneylenders;
* a simplified dispute resolution mechanism to ensure better enforcement;
* adoption of the rule of 'Damdupat', *i.e.* the interest charged should not exceed the Principal.

RBI has sent the Report to all the State Governments as part of its process of consultation.

Zonal Cultural Centres

*327. SHRI KALRAJ MISHRA: Will the Minister of CULTURE be pleased to state:

(a) what is the mandate of Zonal Cultural Centres;

(b) whether any study has been done on the performance of such Zonal Cultural Centres against their mandate;

(c) if so, the details of such study;

(d) whether it is a fact that the Zonal Cultural Centres are facing resource crunch;

(e) if so, the annual allocation for the last three years, Centre-wise; and